

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-331-C - ORDER NO. 2005-741
DECEMBER 16, 2005

IN RE: Application for Approval of an Asset Purchase) ORDER APPROVING
Agreement by Adelpia Telecommunications,) ASSET PURCHASE
Inc. and Telecom Management, Inc. d/b/a) AGREEMENT
Pioneer Telephone.)

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application for approval of an Asset Purchase Agreement (the Agreement) by Adelpia Telecommunications, Inc. (ATI) and Telecom Management, Inc. d/b/a Pioneer Telephone (Pioneer) (together, the Applicants), whereby Pioneer will acquire substantially all of the assets of ATI, including, but not limited to, ATI's customer accounts in South Carolina (the acquisition).

Since June 25, 2002, ATI has been operating under the protection of the United States Bankruptcy Court for the Southern District of New York. The sale of the customers and assets of ATI pursuant to the Agreement has been approved by the Bankruptcy Court. According to the Application, Pioneer will receive ownership, right, title and interest in and to substantially all of ATI's assets, including its customer accounts, as defined in the Agreement, and the bankruptcy estate of ATI will receive the purchase price set forth in the Agreement, pursuant to an Order of the Bankruptcy Court approving the Agreement. Pioneer proposes the acquisition to consolidate the business

and customer accounts of ATI with Pioneer in order to create a single, larger provider of telecommunications services, facilitating efficiencies to benefit all of Pioneer's and ATI's customers. According to the Application, the acquisition will also serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of Pioneer to compete in the marketplace and to provide telecommunications services for a greater number of consumers in South Carolina at competitive rates.

Pursuant to the instructions of the Commission's Docketing Department, the Applicants published a Notice of Filing in newspapers of general circulation in the areas of the State affected by the Application. No protests or Petitions to Intervene were filed with this Commission. Subsequently, the Applicants moved for Expedited Review of the Application and furnished the verified testimony of Sue Bouchard, President of Pioneer. Ms. Bouchard supported the allegations of the Application and noted that both ATI and Pioneer are certified carriers in South Carolina. Further, a Stipulation was filed in this matter between the Applicants and the Office of Regulatory Staff (ORS). See Order Exhibit No. 1. In that Stipulation, the Applicants agree, *inter alia*, to provide a customer notice letter in a certain format, informing ATI's customers of the transfer and their right to select another telecommunications provider. Further, no later than thirty (30) days after the close of the transaction, the Applicants agree to provide notice to ORS and the Commission of the conclusion of the transaction and to request cancellation of ATI's Certificate of Public Convenience and Necessity and cancellation of ATI's tariffs.

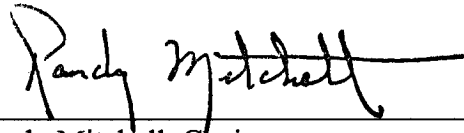
We grant the Motion for Expedited Review. We also approve the Application, based on the verified testimony and the Stipulation. Ms. Bouchard notes that the

Application requests that this Commission approve an Asset Purchase Agreement between ATI and Pioneer. As per the Agreement, Pioneer will acquire substantially all of the long distance telecommunications assets of ATI, including, but not limited to ATI's customer accounts. In concert with approval of the Application, we approve the Asset Purchase Agreement. We believe that the advantages cited in the Application are true and correct, including the facilitation of efficiencies to benefit all customers, and a heightened level of operating efficiency. This will enhance the overall capacity of Pioneer to compete in the marketplace and to provide telecommunications services for a greater number of South Carolina consumers at competitive rates. The Agreement appears to have already been approved by the Bankruptcy Court. We believe that approval of the Agreement is in the public interest. Pioneer shall continue to follow all rules of this Commission.

Accordingly, the Application and the Asset Purchase Agreement are approved. The parties shall follow the terms of the Stipulation.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

A handwritten signature in black ink, appearing to read "Randy Mitchell", written over a horizontal line.

Randy Mitchell, Chairman

ATTEST:

A handwritten signature in black ink, appearing to read "G. O'Neal Hamilton", written over a horizontal line.

G. O'Neal Hamilton, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-331-C
NOVEMBER 15, 2005

RECEIVED
2005 NOV 22 AM 11:01
SC PUBLIC SERVICE
COMMISSION

In Re:

Approval of an Asset Purchase
Agreement Between Adelphia
Telecommunications, Inc.
and Telecom Management, Inc.
d/b/a Pioneer Telephone

STIPULATION

The Office of Regulatory Staff ("ORS") and Adelphia Telecommunications, Inc. ("Adelphia") and Telecom Management, Inc., d/b/a Pioneer Telephone ("Pioneer") (collectively referred to as the "Parties" or sometimes individually as "Party"), stipulate to the following matters.

1. On October 11, 2005, Adelphia and Pioneer (also referred to herein as the "Applicants") filed a notice letter seeking expedited review and approval of the asset transfer (including customer accounts) of Adelphia to Pioneer;
2. On October 24, 2005, Pioneer pre-filed verified testimony of Sue Bouchard, President of Pioneer;
3. On November 1, 2005, Pioneer submitted the Verification to the pre-filed testimony of Sue Bouchard;

4. Both Adelphia and Pioneer currently hold certificates of public convenience and necessity for interexchange services;
5. Adelphia's certificate of public convenience and necessity was granted pursuant to Docket No. 98-82, Order No.1998-137. Pioneer's certificate of public convenience and necessity was granted pursuant to Docket No. 2004-232-C, Order No. 2004-640.
6. Both Adelphia and Pioneer have provided financial data for purposes of remitting universal service fund fees, annual reporting and/or gross receipts reports and are in good standing with reporting requirements;
7. Prior to transfer of the customer accounts, Applicants agree to provide a customer notice letter in the format contained in Exhibit 1 of this Stipulation informing Adelphia's customers of the transfer and their right to select another telecommunications provider. The Applicants further agree to provide the South Carolina Public Service Commission (the "Commission") and ORS with copies of any correspondence filed with the Federal Communications Commission ("FCC") related to this transaction;
8. No later than thirty days after the close of the transaction, the Applicants agree to provide notice to ORS and the Commission of the conclusion of the transaction and to request cancellation of Adelphia's certificate of public convenience and necessity and cancellation of Adelphia's tariffs;
9. Pioneer agrees to continue to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

10. ORS does not object to Commission approval of the transfer of assets including customer accounts from Adelphia to Pioneer subject to the conditions enumerated in items one (1) through nine (9) above;
11. ORS and the Applicants agree to submit into the record this Stipulation. ORS agrees to stipulate into the record the pre-filed verified testimony of Ms. Bouchard without cross-examination;
12. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B) (added by Act 175). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Stipulation reached with the Applicants serves the public interest as defined above;

13. The Parties agree to advocate that the Commission accept and approve this Stipulation in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend


and support any Commission order issued approving this Stipulation and the terms and conditions contained herein;

14. The Parties agree that signing this Stipulation will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation in its entirety without penalty or obligation;
15. This Stipulation shall be interpreted according to South Carolina law;
16. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Stipulation. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation and the terms contained herein, then this Stipulation shall be null and void and will not be binding on any Party.

SIGNATURE LINES ON FOLLOWING PAGE

WE AGREE:

Representing the Office of Regulatory Staff

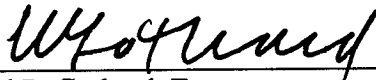


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WE AGREE:

**Representing Adelphia Telecommunications, Inc. and
Telecommunications Management, Inc., d/b/a Pioneer Telephone**



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Email: egothard@nbglaw.com

[Adelphia logo here]

Telecom Management, Inc.
d/b/a Pioneer Telephone

Adelphia Telecommunications, Inc.

October __, 2005

Dear Customer:

Telecom Management, Inc., d/b/a Pioneer Telephone ("Pioneer") and Adelphia Telecommunications, Inc. ("Adelphia") have entered into an Asset Purchase Agreement, whereby the telecommunications assets of Adelphia will be acquired by Pioneer, and Pioneer will become your interstate, international and intrastate telecommunications service provider for long distance services. Pioneer anticipates this happening on or before _____

This change in ownership will not affect or in any way disrupt your current service. At the moment, your rates fall under one of three Adelphia rate plans: 7, 7.5 or 8 cents per minute. **Your rates and the terms and conditions under your existing contract will not change as a result of the transaction.** No charges or fees will be imposed and no rate increase will occur as a result of this transaction. Pioneer will inform you, by separate mailing, of any post-transaction changes which may occur. For the Adelphia terms and conditions please go to www.Adelphia.com.

We realize you have a choice of carriers. Subject to the terms and conditions of your existing contract with Adelphia, including applicable termination penalties, you have the right to choose a different carrier for your services. Please note that if you are a customer of Adelphia on the date of the transfer and you have not informed Adelphia that you have made arrangements to switch to a carrier other than Pioneer, your services will automatically be transferred and your account assigned to Pioneer. Also, if you have placed a "freeze" on the services to prevent the unauthorized transfer of your services to another carrier, the freeze will be lifted and your services will be transferred to Pioneer. You must contact your local exchange carrier to re-establish freeze protection for your Services after the transfer. Pioneer will be responsible for any outstanding Adelphia customer complaints after the date of transfer. If you have any questions, please call one of Pioneer's Customer Service Representatives at 1-888-472-6222.

We at Pioneer are pleased to welcome you to our team and would like to express our appreciation for allowing us the opportunity to be your telecommunication service provider. We are confident that you will be pleased with the high quality of our service.

Yours faithfully,

Sue Bouchard, President
Telecom Management, Inc.
d/b/a Pioneer Telephone

Maria Arias, Vice President
Adelphia Telecommunications, Inc.

Order Exhibit No. 1
Docket No. 2005-331-C
Order No. 2005-741
December 16, 2005

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